

JUSTIFICATION

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D-2

SECRET

Approved For Release 2002/06/28 : CIA-RDP78-04718A002800040012-6

LIBERALIZED RETIREMENT FOR CIA PERSONNEL

This is a request for appropriate legislation to authorize a more equitable retirement plan for employees of the Central Intelligence Agency who are required to perform their duties under circumstances considered to be unique in the civilian Federal service.

This proposal was submitted to Mr. H. Eliot Kaplan, Chairman of the Committee on Retirement Policy for Federal Personnel on 14 December 1953 for the consideration of that group. (Consider a reference to the official attitude taken by the Kaplan Committee when and if such is made available to the Agency.)

This Agency has instituted a professional career service, which involves, among other things, a concept that employees are required to serve where and when they are needed in the best interest of Agency activities. In performing their assigned duties, many of these employees frequently are subjected to conditions which differ markedly from those generally typical of Federal employment. In the course of their careers with this Agency many employees will serve overseas under various cover restrictions which have an abnormal influence on their living habits. These individuals are likely targets of forces inimical to the best interests of the United States and are thus continually subject to potential hazard. In the event of war or civil disturbance in their area of assignment, they become immediately susceptible to attack or seizure. In addition to these general hazards, many of the Agency employees are required to perform duties which are hazardous in themselves. Also, certain of our personnel are required to serve at unhealthful posts in the course of their career with the Agency.

The overseas activities of many CIA employees require a combination of mental, physical and psychological characteristics which are found in diminishing proportions as employees advance in age. This is particularly true among employees who have been engaged in such activities for an extended period of time. In order to permit an infusion into the organization of younger personnel who have the desired qualifications, and also to permit the equitable separation of older personnel, the older Agency employees should be permitted to retire at an earlier age than would be possible under the current Civil Service Retirement Act, and this retirement should be on the basis of full annuity. Retirement on a full annuity basis is considered equitable since many of these individuals would suffer financial hardship in converting to other employment, considering the specialized nature of their official activities and the limitations imposed on divulging any information pertaining to these activities.

Accordingly, it is recommended that legislation be enacted to permit the retirement of the personnel referred to above on full annuity at an earlier age than is permitted under the existing Civil Service Retirement Act. It is recommended that, within the general framework of the present Civil Service Retirement Act, personnel serving under the conditions

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previously indicated receive extra service credits. Under the attached proposal, an individual's age requirement for voluntary retirement would be reduced by six months for each year of his overseas service. Moreover, the age requirement for his voluntary retirement would be reduced an additional two months for each year of such service at an unhealthful post. In computing years of creditable service for retirement purposes, an employee would receive a credit of $1\frac{1}{2}$ years for each year of his overseas service and an additional credit of $\frac{1}{2}$ year for each year of such service at an unhealthful post.

This request is consistent with the precedents established by the Congress in authorizing liberalized retirement plans for certain other groups having similar requirements within the Federal service. The Congress has authorized liberalized retirement plans for Foreign Service personnel and for personnel whose duties involve the investigation, apprehension or detention of persons suspected or convicted of offenses against the criminal laws of the United States. Under the Foreign Service Act, Foreign Service officers having twenty years of service who have reached the age of fifty years are entitled to retirement. Such individuals are also granted additional service credit for time spent at unhealthful posts. Special retirement for investigative personnel is provided by the Civil Service Retirement Act of 1930, as amended, which provides that such personnel may retire at age 50 when they have rendered at least 20 years of service. This Agency believes that a special retirement plan for certain of our personnel is consistent with the intent of Congress as expressed in the two pieces of legislation referred to.

Although the retirement plan proposed by this Agency is more liberal than that presently authorized by the Civil Service Retirement Act, it is less liberal than the retirement plans of the Foreign Service, or of the military services. Since a given employee in the course of his employment with the Agency would serve overseas only a portion of his time, retirement at an extremely early age would almost certainly be precluded.

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